



Mission

Our aim is to reconnect local people with local energy services by generating both individual and community returns and enabling local governance and ownership.

Our model is underpinned by a primary commitment to generating community benefit. We want to create a new market for community energy that will change the way we think about and value energy, as a response to the pressures of both climate change and energy security.

Is there a link with Transition?

BWCE came out of discussions within the energy group of Transition Bath and Transition Community Corsham. The two Transition groups were simultaneously discussing how to develop community energy projects and decided they would be better off working together. They joined forces with the aim of working at greater scale in order to develop a financially viable community enterprise as quickly as possible.

Your product or service – how much does it help improve resilience in your local community or elsewhere?

We aim to create a financially sustainable social enterprise that will deliver renewable energy, energy efficiency and energy supply via a strong community model that undermines grant dependency and builds community resilience. We need to develop scale by aggregating projects in order to build the necessary skill base and local capacity and to operate at a scale that makes drawing on capital finance more feasible.

In order to balance scale with retaining community links, we are also working with individual communities across the whole of Bath and surrounding area, supporting them to set up their own independent community enterprises. By working in this fashion, we hope to build a family of community enterprises able to aggregate their projects while sharing expertise and experience to everyone's benefit. We are currently in discussion with four communities and have helped set up two additional community societies, with BWCE providing key services to each.

To establish a track record and demonstrate tangible progress quickly, we are initially focused on solar but are also developing wind, hydro, biomass projects. We are also working with the Council to develop energy efficiency projects, potentially via the Green Deal and/or targeting energy efficiency in schools with an innovative financial model. Our longer-term aspiration is to supply energy to consumers beyond our current site owners and become a community owned Energy Services Company or ESCo.

Employees

We have 7 part time employees who get paid to varying levels but all of whom put in significant amounts of voluntary time. We have four non-executive directors, elected from the membership, that are voluntary posts.

Are you in profit? If not, when do you anticipate being so?

Turnover last year (2012/13), was nearly £160,000 with a surplus of just over £7,000 after paying members interest of 7%. This is the second year of generating a surplus and paying members 7%. We also made the first payment into our community fund of just under £5,000. The size of these payments will go up in future years, with the projects currently built alone generating more than £500,000 over 20 years.

How long have you been trading?

The Community Society was set up in June 2010 and we have been trading since April 2011.

What is your company structure and why did you choose it?

We are an IPS Bencom or Community Society. We chose this form because we wanted a structure that would enable us to raise finance but that built in democratic governance, an asset lock and a primary commitment to community benefit. We believe this is the best approach to delivering the outcomes we are seeking.

What about financial sustainability? Are you trading or part-trading without money?

Our first investment came from the founding directors. Since then we have raised a further £750,000 via a local share offer and £1 million of debt finance from SSE, which includes £200,000 as a contingent loan (currently a SSE one-off trial) to invest in at risk pre-planning work associated with our renewable energy project development. The rest of the finance raised has been invested as capital in 612kW of solar PV across 10 schools and community buildings, including one 250kW ground mounted system linked to a business park.

We paid 7% interest to members in our first two years as per our targets in order to build a credible investment track record. This will be key to our plans to raise £10 million over the next 3 years, designed to fund approximately 6MW of renewable energy projects in development. We expect about £3 million of this to come from local share offers. If we succeed, we will be able to generate enough income to fund the development of the next tranche of projects, therefore becoming truly self-sufficient. Meeting these medium term targets means we will generate around £150,000 per year to run the BWCE and yield an average of £250,000 per year over 20 years to put into our community fund (less in early years more in later years).

Are you looking to build more common wealth & ownership and is priority your profit sharing and/or community benefits versus more traditional investor returns?

Yes – see above and below for comment on community benefits and ownership As a community society, we cannot distribute profits and our rules define our priorities for applying our surplus as:

- a) paying interest on members' share capital at such rate as may be determined by the Board from time to time, but not exceeding the minimum rate necessary in the opinion of the Board to obtain and retain the capital required to carry out the objects of the Society;
- b) the continuation and development of the Society;
- c) making payments for social and charitable purposes.

Localisation – are you sourcing, distributing and interacting locally?

We strongly believe in repair and reuse and we try to source locally all supplies we can't reuse. Wherever we can we utilise local supply chains. For example, over 50% of projects to date have been installed using local solar PV installers. Those that haven't were installed by SSE (as part of the financing arrangement) but via a local depot. Most of the electricity generated is consumed by site owners and approximately 70% of the income from projects currently in development (over £25 million over 25 years) is retained within the local economy with the balance going to repay loans.

Climate impacts – negative, beneficial or neutral?

Very positive.



Bath & West Community Energy
Generating Local Energy